

**ORDINANCE NUMBER 2019-148**

**AN ORDINANCE AMENDING SECTION 10-230 OF THE MADISON CITY CODE REGARDING  
DISPOSITION OF LODGING TAX PROCEEDS**

**WHEREAS**, in anticipation of funding a multi-purpose civic facility, the City of Madison City Council adopted Ordinance No. 2017-277, which raised the City's lodging tax to 9%, plus \$2.00 per room per night, and the City Council dedicated the increased portion of the lodging tax (2% plus \$1.00 per room per night) to debt service; and

**WHEREAS**, since the adoption of Ordinance No. 2017-277, the City has secured funding for and begun construction on its multi-purpose venue and ballpark; and

**WHEREAS**, the City desires both to formally earmark the revenue stream from the increased lodging taxes to the debt service for the ballpark and to dedicate all lodging tax proceeds produced at any new hotels that have opened for business after May 1, 2019 to the ballpark debt service;

**BE IT ORDAINED** by the City Council of the City of Madison, Alabama as follows:

**Section 1.** That Section 10-230 of the *Code of Ordinances of the City of Madison*, entitled "Lodging Tax: Disposition of proceeds" is hereby amended in its entirety as follows:

- (a) Except as otherwise provided in this Section 10-230, all lodging taxes received or collected by the City under the provisions of this article shall be deposited in the city's General Fund, subject to appropriation by the City Council for any lawful purpose of the city.
- (b) For any hotel that has opened for business prior to May 1, 2019, revenues resulting from two percentage points (2%) of the total lodging taxes collected pursuant to this article, which equals 22.22% of lodging taxes collected, as well as one dollar (\$1.00) of the per-night fee, must be appropriated to pay debt service in the following order: (i) debt service on the Series 2018-A General Obligation Taxable Warrants, and (ii) debt service on the Series 2018-C General Obligation Project Warrant for the Project Development Agreement dated September 14, 2018. Upon satisfying said debt service requirements, the remainder of the proceeds generated from the 2% plus \$1.00 per night portion of the lodging tax proceeds may be deposited into the General Fund.
- (c) For any hotel that has opened or will open for business on or after May 1, 2019, all lodging tax revenues levied in this Chapter shall be appropriated to pay debt service in the following order: (i) debt service on the Series 2018-A General Obligation Taxable Warrants, and (ii) debt service on the Series 2018-C General Obligation Project Warrant for the Project Development Agreement dated September 14, 2018. Upon satisfying said debt service requirements, the remainder of the lodging tax proceeds may be deposited into the General Fund.

**Section 2.** This Ordinance shall become effective after its adoption and publication as provided by law. Notwithstanding the fact that the effective date of this ordinance shall occur later

than May of 2019, the Finance Director shall be authorized to direct lodging tax proceeds that have already been collected from new hotels that have opened for business after May 1, 2019 to the City's debt service requirements as stated in Section 1(c) of this Ordinance.

**Section 3.** If any clause, phrase, sentence, paragraph, or provision of this ordinance shall be invalidated by a court of competent jurisdiction, it is the intent of the Council that such invalidation shall not affect the validity of any other clause, phrase, sentence, paragraph, or provision thereof.

**READ, PASSED, and ADOPTED this 8th day of July, 2019.**



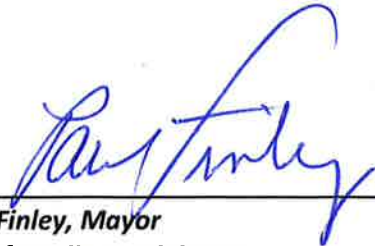
**Steve Smith, Council President**  
City of Madison, Alabama

**ATTEST:**



**Melanie A. Williard, City Clerk-Treasurer**  
City of Madison, Alabama

**APPROVED this 9<sup>th</sup> day of July, 2019.**



**Paul Finley, Mayor**  
City of Madison, Alabama

Document Number: 2019-148

Date Introduced: June 24, 2019  
Minutes No.: 2019-12-RG

Date Approved: July 8, 2019  
Minutes No.: 2019-13-RG

Votes of Council

<b>Council Member</b>	<b>Absent</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Wroblewski		X		
Smith		X		
Powell		X		
Shaw		X		
Overcash		X		
Clark		X		
Seifert		X		

Date signed by President/  
Pro Tempore of Council: July 8, 2019

Date signed by Mayor: July 9, 2019  
• If vetoed by Mayor, further Council action:

Publication Date: July 17, 2019  
Newspaper: Madison County Record

**Distribution:** Municipal Code Corporation